



July 16, 2023

Via E-mail mhester@munsch.com

Mason P. Hester
Munsch Hardt Kopf & Harr, P.C.
700 Milam Street, Suite 800
Houston, Texas 77002-2806

Re: Principal: PRCHOU, LLC (“PRC”)
Obligee: Metropolitan Transit Authority of Harris County (“Metro”)
Surety: Travelers Casualty and Surety Company of America
 (“Travelers”)
Bonds: Performance Bond No. 107521472 and Performance Bond
 No. 107521472-1 (the “Bonds”)
Projects: Segment #2 of route 56 – between Cavalcade & Tidwell
 Segment #3 between Tidwell and Gulf Bank Roads
 (collectively, the “Projects”)

DEMAND FOR COLLATERAL

Mason:

In sending this letter to you, my understanding is that you are counsel for all indemnitors, which are PRC, Mukadas D. Kuban, Apar Pataer, Abdul R. Dawood, and Maria E. Dawood (the “Indemnitors”). Please let me know if you do not represent any of these parties in connection with indemnity matters, and I will reach out to them directly.

In its letter of May 5, Metro detailed multiples instances of default on the part of PRC, and it elected to terminate PRC’s right to continuance performance on the Projects. As a result, Metro made a specific demand on the Bonds issued by the Surety. In addition, the Surety has received multiple claims against its payment bonds by subs and suppliers of PRC that have alleged non-payment.

The enclosed *General Agreement of Indemnity* executed by the Indemnitors on May 9, 2019 (the “Indemnity Agreement”) provides as follows:

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5. Collateral Security: Indemnitors agree to deposit with Company, upon demand, an amount as determined by Company sufficient to discharge any Loss or anticipated Loss.

In accordance with the terms of the Indemnity Agreement, the Surety demands collateral of \$2,866,884.78 (i.e., the aggregate penal limits of the Bonds) be deposited with the Surety as provided by the Indemnity Agreement. If the Surety has not received collateral, or a reasonable proposal for the pledging of collateral, by 11:59 PM on July 21, 2023, the Surety will move forward in consideration of all actions necessary to fully protect its interests. Feel free to give me a call at 214-494-8097 if you have any questions.

Nothing herein shall be deemed to be an estoppel, waiver, modification of any of the Surety's rights or defenses, and the Surety reserves all of its rights and defenses under any bond, contract, agreement, or applicable law. The Surety also makes a specific reservation of the right to demand additional collateral at any time should the Surety deem it necessary. The Surety also reserves its right to demand indemnity for all losses suffered on any bond issued on behalf of PRC, including attorney's fees and expenses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bains", is positioned above the printed name.

Brandon K. Bains

cc: Connor Best